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Financing of the United Nations Transitional Administration in East Timor

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/54/236/Add.1) on the financing of the United Nations Transitional Administration in East Timor. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. The Advisory Committee recalls that the Security Council, in its resolution 1272 (1999) of 25 October 1999, decided to establish the United Nations Transitional Administration in East Timor (UNTAET). The mandate of the Mission, as described in paragraph 2 of that resolution, consists of: providing security and maintaining law and order throughout the territory of East Timor; establishing an effective administration; assisting in the development of civil and social services; ensuring the coordination and delivery of humanitarian assistance, rehabilitation and development assistance; supporting capacity-building for self-government; and assisting in the establishment of conditions for sustainable development.

3. The Advisory Committee further recalls that after the adoption of the above-mentioned resolution, the Controller of the United Nations requested the concurrence of the Committee to enter into commitments in the amount of $50 million to meet the most immediate start-up costs of UNTAET, in accordance with the provisions of section IV of General Assembly resolution 49/233 A of 23 December 1994. The concurrence of the Advisory Committee was provided in a letter dated 4 November 1999.

4. As indicated in paragraph 9 of his report (A/54/236/Add.1), the Secretary-General is seeking commitment authority and an assessment of $205.4 million from the General Assembly, inclusive of the amount of $50 million already concurred with by the Advisory Committee, to meet the preliminary costs of UNTAET, pending the preparation of the full budget which is to be presented to the Assembly early in 2000. Supporting this request, preliminary estimates for the four-month period from 1 December 1999 to March 2000 are provided in annex I to the report.

5. The Committee recalls that the objectives and structure of UNTAET were set out in section IV of the report of the Secretary-General to the Security Council (S/1999/1024) and that the Special Representative of the Secretary-General, who is also the Transitional Administrator, is responsible for all aspects of the work of the United Nations in East Timor. Under the overall

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authority of the Special Representative, the main components of the Mission, as indicated in paragraph 3 of Security Council resolution 1272 (1999) and paragraph 7 of document A/54/236/Add.1, will comprise: a governance and public administration component headed by a Deputy Special Representative, including an international police element with a strength of up to 1,640 civilian police (including a unit of 50 armed marine police and 2 armed rapid reaction units, each comprising 120 officers); a humanitarian assistance and emergency rehabilitation component, also headed by a Deputy Special Representative; and a military component, headed by the Force Commander, with a strength of up to 8,950 troops and a military observer group with a strength of up to 200 military observers.

6. The Advisory Committee notes that the proposed four-month provision for military personnel, which amounts to $54,412,800, is based on the above-mentioned authorized strength of up to 200 military observers and 8,950 troops. The Committee was informed that, of the authorized 200 military observers, 112 were on board as at 29 November 1999. As indicated in paragraph 5 of section B of the annex to document A/54/236/Add.1, the estimates for military costs include provision for reimbursement of troop costs, inclusive of a 240-person rapid reaction civilian police unit and a 50-person marine police unit, calculated on a full-cost basis for the period from 15 January to 31 March 2000. During the hearings, the Committee became aware that the replacement of the multinational force by the military component of UNTAET, as requested by the Security Council in paragraph 9 of its resolution 1272 (1999), could be delayed until February 2000, depending on the security situation. This could lead to some adjustments in the proposed preliminary estimates.

7. The Advisory Committee further notes that the estimated civilian personnel costs of $53,632,100 are based on the phased deployment of 1,350 civilian police and the phased deployment of international staff, as planned and indicated in the report of the Secretary-General (A/54/236/Add.1, annex, sect. B, paras. 9 and 10). The Committee points out that the estimated number and grade structure of the posts are not based on what will actually be required by the Mission, since the workload of each organizational unit is not known at present. The full staffing structure and composition will be provided in the detailed cost estimates to be submitted early in 2000. Upon enquiry, the Committee was informed that 174 international staff were currently on board, having been transferred from the United Nations Mission in East Timor (UNAMET) to UNTAET upon completion of the mandate of UNAMET on 30 November 1999.

8. Although UNTAET has assumed the remaining assets of UNAMET (510 vehicles are being transferred in addition to communications equipment, among other items), given the destruction of the local infrastructure and the numerous and complex tasks to be undertaken by UNTAET, the preliminary estimates include an amount of $80,970,200 for the procurement of non-recurrent items, in particular in the areas of communications, transport, accommodation and other equipment.

9. In paragraph 9 of its report on the financing of UNAMET (A/54/406) and in the context of the request for the replacement of equipment in phase II of the Mission, the Advisory Committee indicated that it had been informed that the Secretary-General would report to the General Assembly on the assets of UNAMET as soon as a fuller assessment of needs had been carried out. The Committee was informed that this assessment would be ready at the end of 1999. The Committee also recalls that, in paragraph 11 of that report, it recommended that the Secretary-General submit performance information on UNAMET, not later than the end of January 2000, for consideration by the Committee and by the General Assembly. The Committee requests, therefore, that the information on the assessment of the assets of UNAMET be included in the latter report.

10. The Advisory Committee points to the existence of two trust funds. The UNTAET trust fund was established for the purpose of receiving contributions to finance the rehabilitation of essential infrastructure, including the building of basic institutions, the functioning of public services and utilities and the salaries of local civil servants. When the Committee considered its draft report, no funds had been received for this trust fund. In paragraph 11 of A/54/236/Add.1, the Secretary-General indicates that, unless voluntary contributions are received or formally pledged, there would seem to be no recourse other than to request the General Assembly to provide the required funding, and that the matter will be addressed in the context of the submission of the detailed estimates for UNTAET. As to the trust fund for the multinational force, the

Committee was informed that $5 million in contributions had been received and that $100 million had been pledged.

11. The Advisory Committee, pursuant to the provisions of section IV, paragraph 2, of General Assembly resolution 49/233 A, recommends that the Secretary-General be granted authority to enter into commitments in an amount not exceeding $200 million, inclusive of the $50 million already authorized by the Committee on 4 November 1999, pending the preparation of the detailed estimates for the Mission. The Committee stresses the importance of providing adequate assessment for the Mission. Therefore, in considering the level of assessment in accordance with its resolution 49/233 A, the Assembly may wish to take into account the fact that this is a new operation with no assessed contribution to date. The Assembly may also wish to take into account the cash flow situation of the United Nations and the current level and use of the peacekeeping reserve fund, in addition to the need to ensure the availability of cash to implement new missions. Moreover, account should be taken of the timing of the submission of the budget, its size and nature, and the delays inherent in receiving contributions. It should also be borne in mind that the availability of cash is an element in assuring possible future troop contributors that reimbursement will be forthcoming.

12. The Advisory Committee also recalls that, in granting the Secretary-General the commitment authority of $50 million to meet the most immediate start-up costs of UNTAET, it pointed out in its letter dated 4 November 1999 that there would be an overlap period of one month during November 1999 between phase II of UNAMET and the newly established UNTAET but that separate accounting and budgetary arrangements would be maintained for both missions. The Committee recommends, therefore, that the General Assembly authorize the establishment of a special account for the United Nations Transitional Administration in East Timor.